IDENTITIES ARE CONSTANTLY EVOLVING
Resolve debtors' identities to increase revenue from intercept lists or debt offset programs

Debt offset and intercept programs show high revenue recovery potential

In this era of belt-tightening, government agencies are feeling pressure to reduce losses and cut expenses with limited resources. The U.S. government's Debt Offset Program offers a promising tactical method for the recovery of a high percentage of outstanding debts. Debt offset allows public agencies that are owed money to collect from debtors by "intercepting" the full amount owed from a debtor's tax refund or lottery winnings. Forty-five states now have debt offset programs—but the true recovery potential of debt offset has been stunted by a lack of quality identity contact data.

• Name Change
• Address Change
• Death

> Identity Contact Resolution

Increased Collectable Debt

Debt offset and intercept programs require exact identification matches

Stringent requirements mandate that an exact match of a debtor's name and Taxpayer Identification Number (TIN) or Social Security number (SSN) is needed before an intercept is considered legal. Additionally, debtors must be notified of intercepts, so their contact information must be up-to-date and precise. To verify exact matches and notify debtors, it is crucial to have the most recent and accurate data available. Unfortunately, many government agencies lack the technology to maintain up-to-date records and even the slightest discrepancies can negate their legal right to leverage debt offset and intercepts. Many of these "mismatches" are deemed uncollectable and logged as permanent losses.

> ### In 5 years, 60% of database identity records become inaccurate

How do debts become uncollectable?

As people's lives change, so does the information used to identify them as unique individuals. Names change with marriages, addresses change with relocations, and people die. Many life events change identification information, but because agency data remains static, it becomes increasingly inaccurate over time. For many agencies, the records that can't be easily authenticated because of inaccurate data are eventually written off as uncollectable debt.

> ### Every year 12% of the U.S. population has a change in their identification information[1]

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Identity data must adapt to debtors' changes

If eroding static data is the problem, dynamic identity resolution, enabled by advanced analytics, is the solution. Advanced linking technology creates and maintains a dynamic history around each identity. As an individual's identity information evolves over time, so does the LexisNexis® identity associated with that individual—in practically real-time.

Collecting "uncollectable" debt

By running a file of "uncollectable" debts (due to old, static identity data) through LexisNexis® Identity Contact Resolution, much of the disparity between past and present data sets is reconciled. New, verified identification information transforms uncollectable debt into agency revenue recovery opportunities. Dynamic identity resolution technology offers the means to verify and contact debtors—even as their identification information changes over time.

How does Identity Contact Resolution help?

Identity Contact Resolution utilizes industry-leading database technology to produce exact matches, and it uses state-of-the-art analytics to score the resulting contacts, allowing agencies to prioritize their collections and offset program efforts. Once an agency has submitted a batch of debtor information, Identity Contact Resolution processes the files and scores the contact matches so the agency can make informed decisions to optimize their debt recovery tactics. They can then choose to:

- Attempt to collect on the debt
- Refer it to a state's Debt Offset Program
- Pass it to third-party collections
- Drop the debt as truly uncollectable

Dynamic identity resolution is now a necessity

Today, people are more transient than ever before and digital identification information can become obsolete very quickly. Fortunately, technology has made it possible to continuously reconcile and refresh identification data. Dynamic identity resolution mitigates the erosion of identifying attributes and turns debts that were previously written off as uncollectable into vast opportunities for recovered revenue—especially through debt offset and intercept programs.

For more information:

Please visit www.identitygov.com/collections

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[1] Alison Fields and Robert Kominski, "America: A Nation On The Move", U.S. Census Bureau, December 10, 2012. Nick Timiraos, "Housing Recovery Gained Pace in 2012", The Wall Street Journal, January 22, 2013.